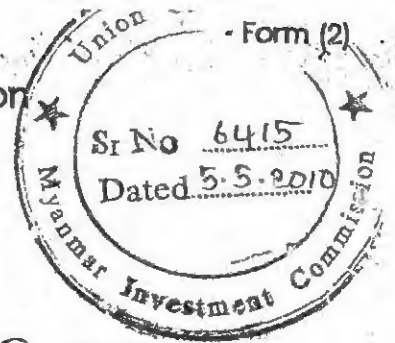


The Myanmar Investment Commission

PERMIT



Permit No. 438/2010

Date 5 MAY, 2010

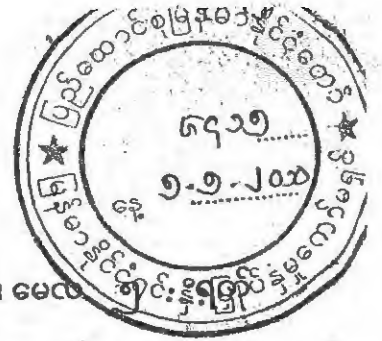
The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

- (a) Name of Promoter MANAGING DIRECTOR,
THE UNION OF MYANMAR ECONOMIC HOLDINGS LIMITED
- (b) Citizenship MYANMAR
- (c) Address NO. (189/191), MAHABANDoola ROAD,
BOTATAUNG TOWNSHIP, YANGON, MYANMAR
- (d) Name and Address of principal organization WANBAO MINING (HONG KONG) COPPER LTD, HONG KONG.
- (e) Place of incorporation BEIJING, THE PEOPLE'S REPUBLIC OF CHINA
- (f) Type of business in which investment is to be made PROCESSING AND
MARKETING OF CATHODE COPPER
- (g) Place(s) at which investment is permitted LETPADAUNG TAUNG AREA,
SALINGYI TOWNSHIP, MONYWA DISTRICT, SAGAING DIVISION, MYANMAR.
- (h) Amount of foreign capital US\$ 997 MILLION
- (i) Period for bringing in foreign capital 5 (FIVE) YEARS AFTER INCORPORATION
OF COMPANY
- (j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US\$ 997 MILLION
- (k) Permitted duration of investment 25 YEARS
- (l) Name of the economic organization to be formed in Myanmar MYANMAR WANBAO MINING COPPER LTD.


Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်



ခွင့်ပြုမိန့်အမှတ် ၄၃၈/၂၀၁၀

၂၀၁၀ ခုနှစ်၊ မေလ

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်။

- (က) ကမကထပြုသူ၏အမည် မန်နေဂျင်းဒါရိုက်တာ၊
ပြည်ထောင်စုမြန်မာနိုင်ငံစီးပွားရေးဦးပိုင်လီမိတက်
- (ခ) မည်သည့် နိုင်ငံသား မြန်မာ
- (ဂ) နေရပ်လိပ်စာ အမှတ်(၁၈၉/၁၉၁)၊မဟာဗန္ဓုလလမ်း၊
ဗိုလ်တစ်ထောင်မြို့နယ်၊ ရန်ကုန်မြို့
- (ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ WANBAO MINING (HONG KONG) COPPER LTD.
HONG KONG
- (င) ဖွဲ့စည်းရာအရပ် BEIJING, THE PEOPLE'S REPUBLIC OF CHINA.
- (စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ကြေးနီသတ္တုစင်တူးဖော် ထုတ်လုပ်
သန့်စင် ရောင်းချခြင်းလုပ်ငန်း
- (ဆ) ရင်းနှီးမြှုပ်နှံမှု ပြုလုပ်ခွင့်ပြုသည့် အရပ်ဒေသ(များ) စစ်ကိုင်းတိုင်း၊ မုံရွာခရိုင်၊
ဆားလင်းကြီးမြို့နယ်၊ လက်ပတောင်းတောင် ဧရိယာ
- (ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၉၉၇ သန်း
- (ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကုမ္ပဏီဖွဲ့စည်းပြီးနောက်
(၅)နှစ်အတွင်း
- (ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၉၉၇ သန်း
နှင့် ညီမျှသော မြန်မာကျပ်ငွေ
- (ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၂၅ နှစ်
- (ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည်
MYANMAR WANBAO MINING COPPER LTD.

ဥက္ကဋ္ဌ

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

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UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No.(32),Nay Pyi Taw

Our ref : Ya Ka-1/Na- 618 /2010(6415)

Tel: 067-406334,406075

Dated : 5th May 2010.

Fax: 95-67-406333

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Processing and Marketing of Cathode Copper" under the name of "Myanmar Wanbao Mining Copper Ltd".

Reference: Union of Myanmar Economic Holdings Limited Letter No.2/3 /AhKaYa Paing (794/2010) dated (8.3.2010).

1. The Myanmar Investment Commission, at its meeting (10 /2010) held on (17- 3 -2010) and the Trade Council, at its meeting (13/2010) held on (8-4-2010) had reviewed the proposal of "Processing and Marketing of Cathode Copper" at "Letpadaung Taung Area in Salingyi Township, Monywa District, Sagaing Division" submitted by Wanbao Mining(Hong Kong) Copper Ltd. from the People's Republic of China. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet Meeting for final approval.
2. The Cabinet, at its meeting (15 /2010) held on (23- 4-2010), had resolved to permit the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.
3. The permitted duration of the project shall be 25(Twenty Five)years and extendable for 5 years 3 times (not including Developing and Testing Period 3 Years) for Processing and Marketing of Cathode Copper.
4. Myanmar Wanbao Mining Copper Ltd. shall take preventive measures not to disturb and damage to the planned agricultural projects and irrigation projects undertaken by the Ministry of Agriculture and Irrigation within the project area. Myanmar Wanbao Mining Copper Ltd. shall also pay appropriate compensation or

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remedy for any damage to property, land, cultivation or vegetation in the course of Processing and Marketing of Cathode Copper.

5. Myanmar Wanbao Mining Copper Ltd. shall pay a sum of US \$ 5,000,000 (United States Dollars Five Million Only) or equivalent amount of Euro or any other currency acceptable to the Myanmar Foreign Trade Bank as a Signature Bonus within 1(One) month after the effective date in favour of the Union of Myanmar Economic Holdings Limited

6. The Union of Myanmar Economic Holdings Limited shall procure royalty which is 4% of the Products, and it is to be payable monthly in kind to Ministry of Mines. The Union of Myanmar Economic Holdings Ltd shall be further responsible for the payment of royalty to Ministry of Mines according to the Myanmar Mines Law and the Myanmar Mines Rules. Myanmar Wanbao Mining Copper Ltd. shall pay the 4% (Four Percent) royalty to the Union of Myanmar Economic Holdings Limited although copper price below USD 4,000/ton on monthly production of Cathode Copper.

7. Myanmar Wanbao Mining Copper Ltd. shall pay the Dead Rent at the rate of US \$ 500 (United States Dollars Five Hundred Only) or equivalent amount of Euro per sq.km per year to the Union of Myanmar Economic Holdings Limited annually for each Financial Year in two equal instalments in accordance with the Myanmar Mines Law and the Myanmar Mines Rules. The Union of Myanmar Economic Holdings Limited shall be further responsible for the payment of the Dead Rent to Ministry of Mines according to the Myanmar Mines Law and the Myanmar Mines Rules.

8. In issuing this "Permit," the Commission has granted, amongst the followings, exemptions and reliefs as per Section 21(a),(i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section 21 shall have to be applied upon the actual performance of the project.

- (a) As per Section-21(a), exemption from income tax up to 36(Thirty six) months starting from the months of commencement of commercial operation.

- (b) As per Section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made,
- (c) As per Section-21(c), right to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment.
- (d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-years tax holiday period.
- (e) As per Section-21(e), Myanmar Wanbao Mining Copper Ltd. shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.
- (f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.
- (g) As per Section-21(g), right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.
- (h) As per Section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.
- (i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.
- (j) As per section-21 (j), exemption from customs duty and all other internal taxes on such raw materials, which are actually required for operation of

the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Union of Myanmar Economic Holdings Limited.

- 9 Draw-back for machinery, equipment and instruments after completion of the operation period is allowed. Such machineries & equipments are not allowed to be handed over or be sold to other companies.
10. Myanmar Wanbao Mining Copper Ltd, shall have to sign the Production Sharing Agreement for "Processing and Marketing of Cathode Copper" at "Letpadaung Taung Area in Salingyi Township, Monywa District, Sagaing Division" with the Union of Myanmar Economic Holdings Limited. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.
11. Myanmar Wanbao Mining Copper Ltd., in consultation with the Department of Company Registration, Directorate of Investment and Company Administration, shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.
12. Myanmar Wanbao Mining Copper Ltd. shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.
13. The official date of operation shall be reported to the Commission.
14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Myanmar Wanbao Mining Copper Ltd. shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.
15. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of

Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

- (a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;
- (b) the detailed lists of the type and value of foreign capital defined under Section - 2 (h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

16. Whenever Myanmar Wanbao Mining Copper Ltd. brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

18. Myanmar Wanbao Mining Copper Ltd. shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and 超額成本 above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Myanmar Wanbao Mining Copper Ltd. at "Letpadaung Taung Area in Salingyi Township, Monywa District, Sagaing Division" shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94[Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

20. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar Wanbao Mining Copper Ltd.

21. Myanmar Wanbao Mining Copper Ltd., in consultation with Myanmar Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.



(Maung Maung Thein)

Chairman

Managing Director

The Union of Myanmar Economic Holdings Limited.

- cc: 1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Mines
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No.(2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department

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17. Managing Director, Myanmar Foreign Trade Bank
18. Managing Director, Myanmar Investment and Commercial Bank
19. Managing Director, Myanmar Insurance
20. Managing Director, Myanmar Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)